

UTAH DISTRICT NEWSLETTER

January 5, 2009

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Save the Date:

WBC— New Client Orientation
1/8/2009 4pm—5pm
Salt Lake Chamber
175 E 400 S, Ste 600
Salt Lake City, UT

SBDC—Business Start-Up Seminar
1/10/2009 10 am—12pm
WSU Davis Campus
2750 N Univ Park Blvd,
Layton, UT

Emprenda su propio negocio
1/13/2009 6pm—8 pm
Ogden BIC, 2036 Lincoln Ave,
Ste 105, Ogden, UT

Marketing Your Business
1/14/2009 8:30 am—10 am
Salt Lake Chamber
175 E 400 S, Ste 600
Salt Lake City, UT

Helping small businesses
[start](#), [grow](#) and [succeed](#).



Your Small Business Resource

BARUAH WELCOMES NOMINATION OF KAREN MILLS TO BE SBA ADMINISTRATOR

U.S. Small Business Administration Acting Administrator Sandy K. Baruah issued the following statement on President-Elect Barack Obama's nomination of Karen Mills to be the next SBA Administrator:

"I applaud, and welcome, President-Elect Obama's selection of Karen Gordon Mills to serve as the next Administrator of the SBA.

"Karen Mills has been a friend and professional partner over the years in both my roles as the assistant secretary of Commerce and the head of the SBA. She is ideally suited to lead the agency. Mills' background is a combination of management, venture capital, and public

policy, three elements key to leading the agency successfully. In addition, Mills has a record of bi-partisanship which is important to SBA and the small business community the agency serves.

"I am proud of the Agency's record of reform, which has opened opportunity to small business owners throughout America, achieved record loan volume to small businesses, and ensured that communities affected by disaster have the resources to rebuild. Mills will head an agency that has vastly improved its delivery of services and has a dedicated team of civil servants to help carry out the agency's mission.



"Along with the entire SBA team, I am committed to ensuring a smooth and collaborative transfer of power to the new Administration. Mills will have my full support in her new role during the transition and beyond."

BLAINE ANDRUS—FRIEND TO ALL

It is with great sadness that the Utah District Office announces the loss of one of their own—Blaine Andrus. Blaine was an instrumental asset to this office where he served as the Team Leader for the Lender Relations Division and the Business Development Division. Blaine was also instrumental in helping set up the National Guaranty Purchase Center in Herndon, Virginia,

where he worked for 4 years before coming back to the Utah District. While in Virginia, he and his family were named Outstanding Volunteer Family by the Loudon County Volunteer Services Board.

Blaine was the Brand Manager and advised the banks on current procedures necessary to receive reimbursement from SBA on defaulted loans.

Blaine was also involved in the 8(a) Business Development and HUB-Zone Programs. He helped assist many businesses in reaching their full potential through his leadership.

Blaine supported the Boy Scouts most of his life and continued to do so up to his passing.

Blaine will be missed by all but most of all by his family.

SAVE THE DATE CONTINUED

Marketing For Your Business
1/14/2009 8:30 am -10 am
Salt Lake Chamber
175 E 400 S, Ste 600
Salt Lake City, UT

WBC- New Client Orientation
1/15/2009 4pm-5pm
Salt Lake Chamber
175 E 400 S, Ste 600
Salt Lake City, UT

SBDC-Introduction To Finance
1/17/2009 10 am-12 pm
WSU Davis Campus,
2750 N Univ Park Blvd,
Layton, UT

SBDC Business Start-Up Seminar
1/20/2009 6 pm-8 pm
Ogden/Weber Applied Tech
College
1843 W 4000 S, Roy, UT

SCORE- Small Business Start-Up
1/21/2009 8:30 am-4:30 pm
Salt Lake County Office
2001 S State Street
North Building, Rm 4010
Salt Lake City, UT

8(a) WorkShop
1/27/2009 10 am-12 pm
Federal Building
125 S. State Street, Rm 2227
Salt Lake City, UT

Managing Your Money
1/28/2009 2 pm-6:30 pm
Salt Lake Chamber
175 E 400 S, Ste 600
Salt Lake City, UT

SBDC Business Start-UP Seminar
1/31/2009 10 am-12 pm
Ogden BIC
2036 Lincoln Ave Ste 105
Ogden, UT

IDENTIFICATION OF CORRECT BASE RATE FOR 7(A) LOANS

SBA Procedural Notice No. 5000-1081, "One Month LIBOR Plus 3 Percent Allowed as SBA Base Rate," described the background to the addition of a new Base Rate to 13 CFR 120.214(c). The interim final rule adding the new base rate to the regulation was published on November 13, 2008 (73 FR 67099). The purpose of this notice is to clarify how a lender locates the correct One Month London Interbank Offered Rate (LIBOR) rate or the Prime rate on a monthly basis.

The modifications to SOP 50-10(5), Subpart B, Chapter 3, Paragraph 4 (Pages 145-151) that were included in SBA Procedural Notice No. 5000-1081 describing which Prime or One Month LIBOR rate is to be used read as follows:

"(4) ...The Prime or LIBOR rate will be that rate which is in effect on the first business day of the month, as identified in a national financial newspaper or newspaper website each business day. SBA publishes the Optional Peg Rate quarterly in the Federal Register. Base Rates will be rounded to two digits with .004 being rounded down and .005 being rounded up."

The same section of the SOP contains the following example:

"The rate of interest will change on the first calendar day of the adjustment period even though the rate may not be known until the second business day of that period. For example, if the first of the month is a Sun-

day, the base rate is the prime rate in effect on Monday. This rate will be reported in the Wall Street Journal on Tuesday, the third calendar day and second business day of the month."

In some cases, a national financial newspaper may be delayed in reporting the Base Rate for Prime or LIBOR. Thus, the rate reported by the newspaper on the first business day of the month may actually be the rate in effect a day or two earlier. The LIBOR is fixed each morning at 11 a.m. London time by the British Bankers Association, so some U.S. financial websites are able to post the current day's rate for LIBOR prior to 8 a.m. EST that same day. (Lenders should access such sites the first business day of the month to identify the correct LIBOR rate since LIBOR changes daily.)

The Base Rates for the month of December are the following:

Prime: **3.25 %** (as in effect on the first business day of December)

LIBOR: 1.91 % (as in effect on the first business day of December) + 3.0% = **4.91%**
SBA Peg Rate: **4.63%** (as in effect for the period between October 1, 2008 and December 31, 2008)

The Internal Revenue Service (IRS) has implemented a new expedited service through which the financial community can expeditiously confirm the income of a borrower during the processing of a loan application: Income Verification Express

Service (IVES) program. Under IVES, the IRS can electronically provide tax return transcript, W-2 transcript and 1099 transcript information generally **within 2 business days** to a third party with the consent of the taxpayer.

The transcript information is delivered to a secure mailbox based on information received from a Form 4506-T. A \$4.50 fee is imposed on each transcript requested. It is expected that this process will replace the current process, which requires the manual pick-up and delivery of transcripts from the seven IRS Return and Income Verification Services (RAIVS) units located across the country.

Under the new system, transcripts will be delivered electronically using the e-Services platform via a secure mailbox. To participate in the IVES program, lenders will need to register and identify employees to act as agents to receive electronic transcripts on the lender's behalf. To establish access to a secure mailbox, lenders will need to register, which can be done through the following IRS website: <http://www.irs.gov/individuals/article/0..id=161649.00.html>. Additional information on IVES is also available from this website or contact leonard.fagan@sba.gov.



"New SBA Form 1086 Secondary Participation Guaranty Agreement"

The U.S. Small Business Administration (SBA) has modified SBA Form 1086, "Secondary Participation and Guaranty Agreement" to include LIBOR as an acceptable base rate for SBA guaranteed loans. Other minor changes, such as updated fees, have also been made to SBA Form 1086. SBA Form 1086 is the multi-party agreement executed among the lender, the investor (Registered Holder), SBA and SBA's fiscal and transfer agent, Colson Ser-

vices Corp. (Colson) when an SBA 7(a) guaranteed loan is sold into the secondary market. Lenders and investors can access the new SBA Form 1086 through Colson's website <http://www.colsonservices.com/main/forms/form1086.pdf>, or via hyperlink from SBA's website <http://www.sba.gov/aboutsba/sbaprograms/lending/index.html>.

The new SBA Form 1086 (version December 2008) is effective January 1, 2009. The December 2008 version of SBA Form 1086 must be used for all loans pre-

sent for settlement at Colson after December 31, 2008. Loan packages received by Colson by December 31, 2008, can use the old version of SBA Form 1086. All loans received at Colson after December 31, 2008, must use the December 2008 version of SBA Form 1086.

Please address any questions on the new SBA Form 1086, version December 2008, to Marybeth Kerrigan at mary.kerrigan@sba.gov.

Happy 2009!!!



RETIREMENT PARTY—LINDA GLINES



Let's send Linda off with a bang and thank her for all her support to small business in Utah. The Open House will take place on Wednesday, January 14, 2009 from 1:30 pm till 3:30 p.m. in the Federal Building 125 S. State Street, Room 2227. Remember to arrive early due to security.

RETIREMENT FARWELL



EMPLOYEE SPOTLIGHT-PAULA EAMES

I worked in the private sector for years as a cosmetologist, an elementary school secretary and tutor, a medical assistant (giving shots and drawing blood didn't hurt me one bit), as well as other little stuff. When I began my federal career I already had one foot in the grave!!

I have been kicking around the Utah District Office for over 20 years and began my career as the Collateral Cashier and Administrative Assistant. My desk was in

the file room and a former employee used to lovingly refer to me and the file clerk as the "girls in the back alley". It only took a short time for me to move into the lending programs. I worked in loan processing for several years and then moved into loan servicing and liquidation which I enjoyed.

The greatest thing about working for SBA is seeing the impact we have on the community. Over the years I have had the opportunity to work with a large variety of

borrowers, lenders, and SBA staff nationwide and many have become good friends.

I have two sons, five grandchildren and two great grandsons (you thought I was kidding about one foot in the grave) and love spending time with them.

I'm an active member in my church and I have been a member of Beta Sigma Phi for years. I really enjoy reading, sewing, and hope to enjoy golf again when I get up the nerve to have my knees replaced!



LENDER	December Loan Numbers	December Total Dollars	YTD Loan Numbers	YTD Dollars
AMERICA FIRST FCU	4	\$95,000	19	\$655,000
AMERICA WEST BANK	0	0	2	\$2,367,300
AMERICAN BANK OF COMMERCE D/B/A AMBANK	0	0	0	0
AMERICANWEST BANK	4	\$1,086,000	5	\$1,126,000
BANCO POPULAR NORTH AMERICA	2	\$541,300	6	\$1,534,300
BANK OF AMERICA, NATIONAL ASSOCIATION	0	0	0	0
BANK OF AMERICAN FORK	0	0	5	\$762,500
BANK OF THE WEST	1	\$335,000	1	\$335,000
BANK OF UTAH	1	\$171,900	4	\$428,000
BARNES BANKING COMPANY	0	0	0	0
BEACH BUSINESS BANK	0	0	1	\$975,000
BEEHIVE CU	1	\$35,000	8	\$320,000
BRIGHTON BANK	0	0	1	\$55,000
CACHE VALLEY BANK	0	0	0	0
CAPITAL COMMUNITY BANK	0	0	0	0
CAPITAL ONE BANK (USA), NATIONAL ASSOCIATION	0	0	0	0
CAPITAL ONE, NATIONAL ASSOCIATION	0	0	0	0
CELTIC BANK CORPORATION	3	\$1,297,000	21	\$8,066,600
CENTRAL BANK	0	0	3	\$265,100
CIT SMALL BUSINESS LENDING CORPORATION	0	0	0	0
COMERICA BANK	0	0	0	0
COMPASS BANK	0	0	2	\$1,122,000
CONTINENTAL BANK	0	0	0	0
CYPRUS FCU	2	\$90,000	3	\$120,000
DESERET FIRST FCU	4	\$147,900	11	\$387,900
FIRST COMMUNITY BANK	0	0	0	0
FIRST UTAH BANK	1	\$70,000	1	\$70,000
FRONTIER BANK, FSB	2	\$190,000	3	\$215,000
GOLDENWEST FCU	2	\$50,000	9	\$275,000
GRANITE FCU	0	0	1	\$50,000
HERITAGEWEST FCU	2	\$52,500	7	\$197,700
HORIZON UTAH FCU D/B/A HORIZON CU	2	\$50,000	3	\$80,000
INNOVATIVE BANK	0	0	0	0
IRWIN UNION BANK AND TRUST COMPANY	0	0	0	0
JORDAN FCU	2	\$75,000	7	\$215,200
JPMORGAN CHASE BANK, NATIONAL ASSOCIATION	0	0	1	\$47,200
KEYBANK NATIONAL ASSOCIATION	1	\$20,000	4	\$567,600
LEHMAN BROTHERS BANK, FSB	0	0	0	0
MOUNTAIN AMERICA FCU	53	\$1,611,200	178	\$6,054,800
MOUNTAIN WEST BANK	1	\$207,000	1	\$207,000
MOUNTAIN WEST SMALL BUSINESS FINANCE	8	\$2,862,000	30	\$12,347,000
NEVADA STATE BANK	0	0	0	0
PNC BANK, NATIONAL ASSOCIATION	0	0	0	0
PRIME ALLIANCE BANK	0	0	0	0
SAEHAN BANK	0	0	0	0
SOUTHWEST COMMUNITY FCU	0	0	1	\$10,000
STATE BANK OF SOUTHERN UTAH	1	\$150,000	4	\$545,700
SUNFIRST BANK	0	0	0	0
SUPERIOR FINANCIAL GROUP, LLC	0	0	2	\$22,500
TEMECULA VALLEY BANK	0	0	0	0
THE FIRST NATIONAL BANK OF LAYTON	0	0	3	\$643,000
THE HUNTINGTON NATIONAL BANK	2	\$522,000	2	\$522,000
THE VILLAGE BANK	0	0	0	0

LENDER	December Loan Numbers	December Total Dollars	YTD Loan Numbers	YTD Dollars
U.S. BANK NATIONAL ASSOCIATION	6	\$1,875,000	13	\$2,120,000
UNITED MIDWEST SAVINGS BANK	0	0	0	0
UNITED WESTERN BANK	0	0	0	0
UPS CAPITAL BUSINESS CREDIT	0	0	0	0
USU CHARTER FCU	0	0	0	0
UTAH CENTRAL CREDIT UNION	2	\$100,000	2	\$100,000
UTAH CERTIFIED DEVELOPMENT COMPANY	9	\$4,195,000	22	\$13,365,000
UTAH COMMUNITY FEDERAL CREDIT UNION	0	0	0	0
UTAH FIRST FCU	0	0	2	\$80,000
VECTRA BANK COLORADO, N.A.	0	0	1	\$35,000
WACHOVIA SBA LENDING, INC.	0	0	0	0
WASHINGTON MUTUAL BANK	0	0	0	0
WEBBANK	0	0	0	0
WELLS FARGO BANK, NATIONAL ASSOCIATION	10	\$3,364,900	17	\$5,231,800
ZIONS FIRST NATIONAL BANK	55	\$3,342,100	165	\$9,252,800
TOTALS	181	\$22,535,800	571	\$70,774,000